

Border to Coast Joint Committee Public Questions – 24th September 2025

Question 1 – Alison Whalley -

Currently strategic policies and decisions are the responsibility of the individual pension funds in the Partnership.

As you are aware fiduciary duties lie with the individual Pension Fund's trustees, and therefore also the strategic decisions about the allocation of investments. We presume such decisions, amongst other considerations, are informed by a Pension Fund's Responsible Investment and Climate policies.

With the likelihood of more pension fund partners joining the Partnership and the Government's expectation that virtually all assets will be pooled, we are wondering how trustees' will manage their fiduciary duties in this new "mega funds" landscape? Will Responsible Investment and Climate Change policies be agreed and aligned collectively?

Thank you for your attention.

Alison Whalley

On behalf of the BCPP Fossil Free Campaign.

Response

It is important to note that in the policy framework outlined in the 'Fit for the Future' consultation and the Pension Schemes Bill, Funds will remain responsible for their investment strategies.

Each year Border to Coast – wholly owned by Partner Funds – consults Partner Funds on its RI policies (through workshops and individually) to gather feedback on proposed updates and any suggested amendments or inclusions. Policy updates are then approved through Border to Coast's internal governance, presented for endorsement at our Joint Committee, and then considered by each Partner Fund's individual Pension Committee. As the Partnership expands, it remains paramount that RI policies reflect the breadth of views and priorities across the Partnership.

Question 2 – Olwyn Hocking -

What is the latest measurement of all BCPP assets under management invested in fossil fuel exploration and production companies as (a) an absolute figure and (b) a percentage of assets total? How do these figures compare with investment levels in 2015 (the year of the Paris Agreement) and BCPP's target figures for 2030?

It would be helpful if BCPP can provide the dates associated with these figures (we assume each may be linked to the financial year end) and a publicly available source. If possible, a reference to the methodology used for measurement would also be useful.

Thank you for your attention.

Olwyn Hocking
(on behalf of BCPP Fossil Free campaign)

Response

Border to Coast publicly reports fossil fuel exposure at the product level in its Climate Change Reports, as a proportion of AUM and relative to the benchmark. The latest figures, which are as of 31 March 2025, can be found on page 62 of the company's latest report, which is available on its website. They have reported this metric annually since their 2021/22 Climate Change Report.

Furthermore, in 2022, Border to Coast published its Net Zero Implementation Plan. As part of this, Border to Coast has set financed emissions reduction targets: a 53% reduction by 2025 and a 66% reduction by 2030, relative to its 2019 baseline. You may be interested that their 2025 report stated that they had reduced their financed emissions by 66% from the 2019 baseline.

Question 3 – Richard Tassell -

As a recipient of a North Yorkshire pension I would like to submit the following question to the BCPP joint committee on the 24th September

'With the likely expansion of BCPP into a so-called mega fund and the intensification of the climate crisis what is the clear evidence that continued engagement ,rather than divestment from fossil fuel companies, is causing them to change their behaviour in relation to scaling down their exploration for new gas and oil fields?'

Response

Border to Coast recognises that climate change is a systemic risk and that this presents a variety of material investment risks which need to be managed across their investment portfolios over the short, medium and long-term. The company has a commitment to achieve Net Zero carbon emissions by 2050 or sooner, and part of our strategy to achieve this is to use our influence as an active steward of capital.

Border to Coast believes that engagement and constructive dialogue with the companies we invest in is more effective than divestment, and that by remaining engaged we can effect change at those companies. Divestment does not reduce or address an issue, such as real-world emissions, it transfers ownership and potentially to less concerned investors. Indeed, in 2024 the company published research on this, which provided an analysis of the different academic arguments for divestment and 'myth busts' a number of preconceptions about divestment and its impact. On balance, the academic evidence shows engagement is more effective than divestment in influencing corporate behaviour.

Our Responsible Investment Policy sets out our engagement approach including our approach to escalation if our engagements do not lead to the desired results.